

CHAPTER 11

ACCOUNTING FOR
ADVANCES, PREPAYMENTS, AND PROGRESS PAYMENTS1101 GENERAL

See the Department of Defense (DoDFMR), Volumes 9 and 10 for guidance on when advance payments, prepayments, and progress payments may be made. This chapter pertains only to the accounting for these types of payments, not the authorization of such payments.

1102 ACCOUNTING FOR ADVANCES

110201. Advances Recorded as Assets. Record advances paid as assets. Reduce the recorded advance when the goods or services are received or contract terms met and charge to expense or capitalize, depending on the nature of the goods or services.

110202. Travel Advances.

A. Table 11-1 shows the various accounting classifications to use to account for travel advances.

B. The following sub-paragraphs identify the data elements necessary for constructing the accounting classification for various advance payment situations. Do not charge element of resource (EOR) 41** to the nominal fiscal station (S99999). Obtain data element values from DFAS-IN Manual 37-100-FY

1. Temporary Duty (TDY) Travel Advances in General.

a. Charge all travel advances to the department, fiscal year (FY), basic symbol, operating agency (OA), allotment serial number (ASN), Army management structure code (AMSCO), EOR 4110, standard document number (SDN), management decision package (MDEP) or special operating decision package (SODEP), cost code (CC), or procurement request order number (PRON) (when applicable), and the fiscal station number (FSN) funding the TDY.

b. For extended TDY, charge the accrued per diem and/or partial payments to the appropriate 2100 series EOR.

c. For TDY in conjunction with a permanent change of station (PCS), see Table 11-1.

2. TDY Advances Under Special Circumstances. The following policies and procedures apply to special funds centrally managed and reported under nominal fiscal station S99999:

a. Travel Related to Medical Care. Charge all advances to the department, FY, basic symbol, OA, ASN, AMSCO funding the travel (in accordance with DFAS-IN Manual 37-100-FY), EOR 4110, SDN, MDEP or SODEP, and the FSN of the installation or activity where the individual is assigned.

b. TDY Travel Related to the Escort of Prisoners or the Return of an Absent Without Leave (AWOL) Service Member. The accounting classification data elements are the same as prescribed in 110202.B.2.a above.

c. TDY Travel and Per Diem Related to Department of the Army (DA) Directed Training, not in Conjunction with PCS. The FSN will correlate to the installation or activity where the individual is assigned.

3. PCS.

a. Civilian PCS. Charge travel advances to the department, FY, basic symbol, OA, ASN, AMSCO, EOR 4120, SDN, FSN funding the PCS, and account processing code (APC), CC, or PRON, when applicable. (Note: APC for the advance should be the same as the funding APC, except when the advance is paid as a transaction for others (TFO).) For Department of Defense (DoD) civilians PCSing from overseas commands to stateside Army activities, charge the advance to the funds cited on the orders, except use EOR 4120.

b. Military PCS. Charge travel advances to the movement designator code (MDC) cited on the traveler's orders. Use the nominal fiscal station (S99999) and applicable EOR from the 2100 series.

c. Foreign Military Sales (FMS) Related Travel. Travel funded by an FMS fund cite must be directly related to the FMS case. For this reason, other data elements may appear in the accounting classification which are unfamiliar to some installation travel and accounting personnel. The same EORs cited above for TDY and PCS advances apply to FMS advance payments as well.

C. Review Procedures. Each month, representatives from the travel and accounting sections will jointly reconcile outstanding travel advances in the travel and accounting records. If this is impossible due to several travel offices providing service for one accounting activity, rely on the joint review required in Chapter 27 to identify any problems.

110203. Advances to U.S. Government Agencies.

A. Limit advances to U.S. Government agencies outside the DoD to those transactions where reimbursement on the basis of current billing or progress payments are not acceptable to the performing agency. When this method is used:

1. Forward an SF 1080 "check issue" or process an On-Line Payment and Collection (OPAC) payment to the performing agency upon receiving a copy of the acceptance of the order. This will enable the performing agency to begin work in accordance with the order. Table 11-2 shows the accounting classification to use to account for advances to U.S. Government agencies outside the DoD.

2. Upward amendments may require an additional advance of funds for the increased cost. Downward amendments may require a refund from the performing agency.

3. Performing agencies will furnish a summary of costs to the ordering activity when the order is completed and will refund any unused portion of the advance.

B. Advances from appropriations to supplement revolving funds require Army Budget Office (ABO) approval.

C. Advances may be made to the Marine Corps, Navy, Air Force, and other DoD agencies with ABO authorization. These advances represent payments made for goods or services before the amounts are earned by the payee. Table 11-1 shows the accounting classification to use to account for these advances. Liquidate these advances when the receiving report, statement of services representing completion of the order, or receipt of a cash refund because of downward adjustment of the order is received. When processing recoupments and settlements of these advances, use the ordering agency's receiving document or statement of services as the basis for preparing the SF 1081 to transfer the amount to the accounting classification that will liquidate the obligation. The performing agency will prepare an SF 1081 to transfer the value of goods delivered or services performed from the accounting classification containing the special project account to the appropriation reimbursement account when goods are shipped or the services are performed. Ordering activities will review their advance files each month to determine scheduled delivery/shipping dates that indicate a recoupment/settlement action is required and take follow-up action to obtain necessary information to assure prompt settlement of advances.

110204. Advances to Armed Forces of Friendly Foreign Nations. Table 11-2 shows the accounting classification to use to account for these advances. Procedures for making these advances are contained in DoDFMR, Volume 5. Maintain copies of SF 1034 (Public Voucher for Purchases and Services Other Than Personal) signed by an authorized representative of the nation receiving the funds in a suspense file pending settlement of the advance. When a nation repays the advance, remove the SF 1034 from the suspense file.

110205. Recoupment of Advances.

A. Consider recoupment of advances as appropriation refunds. Recoup by deduction from settlement vouchers or invoices, by direct collection from the recipient, or by any other legal means available. In no instance will obligations be incurred or reported for these accounts. Normally, advances will not be outstanding for more than 90 days.

B. Both the accounting and serviced activity will work toward the timely recoupment of advances. Pay particular attention to this matter near fiscal year-end so that all outstanding advances possible are recouped prior to September 30.

1103 PROGRESS PAYMENT

Maintain progress payments in subsidiary accounts within the accounting division. Record progress payments as unliquidated progress payments, accrued expenditures and disbursements. Liquidate progress payments when receiving reports or equivalent documents are received showing supplies have been received or services rendered. Generally, liquidate progress payments by deducting them from future payments made for goods or services accepted under the contract.

1104 REPORTING

See DoDFMR, Volume 6, and Chapter 28 of this regulation for reporting requirements.

1105 GRANTS AND COOPERATIVE AGREEMENTS

See the DoDFMR, Volume 10, Chapter 19.

INDIVIDUAL ADVANCES						
Type of Travel	Dept., FY, Basic Symbol, and OA	ASN	Project	EOR	FSN	SGLA ¹
Specific station funded travel, and FMS travel	From travel order	From travel order	From travel order	4110	FSN funding the TDY	1411.00
Military TDY charged to an open allotment, not in conjunction with PCS.	Open allotment shown in DFAS-IN Manual 37-100-FY plus the OA responsible for the open allotment.	From travel order	From travel order	4110	FSN of the office maintaining the DD Form 1588, or if non-integrated, FSN of the servicing accounting office.	1411.00
Military TDY in conjunction with PCS: a. TDY charged to losing station funds. b. TDY charged to gaining station funds. c. TDY charged to open allotment.	From travel order.	From travel order.	From travel order	4110	a. FSN of losing station. b. FSN of gaining station. c. FSN of gaining station.	1411.00
Military PCS	Use the MDC if there is a systems conversion to the accounting classification. Otherwise, use the conversion table in DFAS-IN Manual 37-100-FY.	From travel order	From travel order	From DFAS-IN Manual 37-100-FY	S99999	1411.00
DoD civilian PCS	From PCS order.	From PCS order	From PCS order	4120	a. FSN of the gaining station for normal PCS. b. FSN of losing station for BRAC/PPP PCSs.	1411.00
DoD civilian PCS from overseas command to U.S. Army activity	Funds cited on the order	From travel order	From travel order	4120	FSN of the gaining station	1411.00
O&M funded DITY Moves	Funds cited on the order	From travel order	0951	4140	FSN funding the move	1411.00
NOTES:						
1 This is the Standard General Ledger Account (SGLA) where the residual balance of the outstanding advance is recorded.						

Table 11-1

OTHER ADVANCES						
Type of Advance	Dept., FY, Basic Symbol, and OA	ASN	Project	EOR	FSN	SGLA ¹
Contract Advances	From the fund cite on the contract	From contract	0942	4140	Servicing FSN	1412.00
Advances to Government agencies	Funds of the activity authorizing the advance	From the FAS/FAD DA Form 1323	0944	4140	Servicing FSN	1415.00
Advances of pay to local national employees	Funds of the activity authorizing the advance	From the FAS/FAD DA Form 1323	0947	4140	Servicing FSN	1414.00
Advances of pay to civilian employees transferring to overseas assignments	Funds of the activity authorizing the advance	From the FAS/FAD DA Form 1323	0948	4140	Servicing FSN	1414.00
Advances paid under special authorization from HQDA.	Funds of the activity authorizing the advance	From the FAS/FAD DA Form 1323	095* ²	4140	Servicing FSN	1415.00
Advances to armed forces of friendly foreign nations ³	Funds of the activity authorizing the advance	9970	0970	4140	Servicing FSN	1414.00
Notes:						
¹ This is the Standard General Ledger Account (SGLA) where the residual balance of the outstanding advance is recorded.						
² See DFAS-IN Manual 37-100-FY						
³ If the advance of funds is made by a non-integrated disbursing activity, cite the FSN of the servicing accounting office.						

Table 11-2